(d) the action taken or proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) State Bank of India (SBI) have reported that there has been no inordinate delay in sanctioning loans by Delhi Local Head Office of SBI after the completion of all formalities by new prospective borrowers and other procedural requirements.

(b) and (c) According to the information made available by SBI Local Head Office at New Delhi, total number of applications received during 1994 by major Branches/Departments of the bank were 40, out of which 39 cases were sanctioned loans. Non-sanctioning of loan so far to one applicant is on account of the procedural requirement of technical vetting by the concerned refinancing agency. Out of the 39 sanctioned cases, loans could not be disbursed to 5 applicants for different reasons such as the borrowers having already availed finance from other banks/financial institutions, terms and conditions stipulated by the sanctioning authority not acceptable to the applicant, time taken for sanctioning by the appropriate authority other than the bank, delay in completion of formalities for disbursal by applicants etc. As per the information furnished by the bank, the time-lag between sanction and the receipt of the application varied between 5 days and 11 months in these cases and that between sanction and disbursement varied between nil and 217 days. Incomplete applications, delay in completion of formalities by the borrower and time taken for technical vetting/approval by the concerned authorities resulted in delay in sanctioning and disbursal of limits.

(d) State Bank of India has also reported that since there is no case of disbursal pending due to delay of the bank, no action is required to be taken in this regard. Notwithstanding this, procedural modifications have been initiated to further reduce the time-lag in the sanction of credit.

Rate of Inflation

*7. SHRI VISHNU KANT SHASTRI: SHRI SANJAY DALMIA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rate of inflation and wholesale price index has been coming down but the prices of items of daily need are going up; and

(b) if so, what are the details of the steps taken by Government to check the price rise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) Annual inflation rate based on movement of WPI has declained to a low of 4.7 per cent (provisional) as on 3rd February, 1996. The deceleration in the growth of prices is also seen in many of the items of daily use. The increase during 1995-96 (upto February 3) in the wholesale prices of 30 essential commodities (which includes foodgrains, fruits, vegetables, edible oils, sugar, gur, khandsari etc.) was modest 4.8 per cent as against over 10 per cent rise in the corresponding period of previous year.

(b) The important steps taken on both demand side and supply side to control inflation are:

1. Continuation of open market sale by FCI of rice and wheat through 1995-96.
2. Continuing OGL import policy for sugar, edible oils and pulses at nil or reduced duty.
3. Import of sugar and edible oils on Government account for augmenting supply through PDS.
4. Adjustment in trade, tax and tariff policies in the Budget for current

fiscal year to ensure that domestic prices of industrial products remain competitive.

5. Strengthening of public distribution system and its expansion in RPPS areas.

6. Reduction of fiscal deficit in the budget for current financial year to 5.5 per cent of GPP.

7. Containing monetary growth to less than 15.5 per cent in 1995-96 through a series of measures.

Rupee value against U.S Dollar

*8. SHRI TARA CHARAN MAJUMDAR:
SHRI VISHNU KANT SHASTRI: Will the Minister of FINANCE be pleased to state:

(a) whether a historic low of Indian Rupee against the U.S. Dollar has been recorded in the recent past;

(b) if so, the details thereof with reasons therefor;

(c) whether Government propose to take some measures to ensure that further lowerment of Indian Rupee does not take place in future; and

(d) if so, the details thereof; and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) and (b) The exchange value of the rupee against the US dollar reached an all time low of Rs. 38.0 per U.S. Dollar on 6.2.1996. Short-term speculative factors were the major reason.

(c) and (d) The Reserve Bank of India announced on 7.2.1996 some strong measures to counter speculation through leads and lags in foreign trade payments and receipts. These included: (i) termination of the scheme on Post Shipment Export Credit denominated in US dollar, (ii) freeing of interest rate on Post-Shipment Export Rupee Credit for over 90 days, (iii) increase in interest surcharge on import finance from 15 per cent to 25 per cent and (iv) monitoring by the RBI of cancellation of forward contracts and intra-day trading transactions of authorised dealers. These measures came into effect from 8.2.1996. Since the announcement of these measures, there has been stability in the foreign exchange market. The rupee-dollar rate recovered to Rs. 36.56 per US dollar on 23.2.1996. The exchange rate developments are monitored continuously both by the Government and the RBI and additional measures will be taken, as and when necessary, to counter excessive volatility in the exchange rate and to maintain orderly market conditions.

Control on Financial Deals

*9. SHRI GOVINDRAO ADIK: will the Minister of FINANCE be pleased to state:

(a) whether Government have seen the report submitted by the IMF consequent on the banking disasters in United States and Singapore urging tighter Government control over financial deals as referred to in the news-item appearing in the 'Times of India' dated 24th August 1985;

(b) if so, whether Government have issued any instructions to the banks on the subject in the country; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSED PAL: (a) Government have seen the IMF's August 1995 publication of "International Capital Market Developments, Prospects and Policy Issues". The report on International Capital Markets is an annual publication and an integral element of the IMF's surveillance of developments in international financial markets. For the period ending April